



Pleasanton Unified School District

Prop 39 Project - Phase 2

Solar Array at Amador Valley High School

Power Purchase Agreement Minimum

Savings Proforma

Board of Trustees Meeting

Tuesday, June 12, 2018

Item 11.9



Process Timeline

- **May 2015** - The Board approved Energy Conservation, Engineering, and Expenditure Planning Services to TerraVerde Energy, LLC. Staff worked with TerraVerde to develop the District's Proposition 39 Energy Expenditure Plan (EEP).
- **February 2017** – The EEP was approved by the California Energy Commission (CEC) for funding in the amount of approximately \$1.88M for pc power management, VFD pool pumps, exterior lighting, gym/MPR lighting, stadium lighting, and some HVAC replacement at all District sites.
- **December 2017** – District Staff worked closely with TerraVerde's team to determine the preferred locations for the solar photovoltaic and energy storage project. TerraVerde assisted with the submission of an Interconnection Application to PG&E, securing the District's eligibility for TOU peak period definition grandfathering (see next slide for additional details)
- **February 2018** – Before the expiration of Prop 39 funding requests an EEP Amendment was submitted to the CEC requesting an additional \$1.58mm in funds toward two additional projects: the replacement of 50 HVAC units at Pleasanton Middle School; and a \$650,000 PPA Buy-Down for a solar project at Amador Valley High School.
- **May 2018** – CEC approved the Amended EEP



Solar Opportunity – Why Now?

- PG&E has implemented changes to the “Time of Use” (TOU) rate structure that are detrimental to savings from solar. However, TerraVerde submitted the District’s interconnection application before the deadline of December 31, 2017, securing the District’s eligibility to maintain “grandfathering” of the current, more favorable TOU peak period definitions for a maximum period of 10 years
- It is important to note that the grandfathering only begins from the date that the project achieves Permission to Operate (PTO) with the utility through December 31, 2027.
- It is in the District’s best interest to achieve PTO as soon as possible to maximize the amount of time the project would earn benefits from the grandfathering provision.
- A federal 30% Investment Tax Credit can be utilized by private entities installing solar, which has the benefit of improving PPA rates and lowering the overall cost of the systems (should the District wish to purchase the systems in the future)
- PPA = Power Purchase Agreement (way to borrow)
- Projects must begin construction prior to the end of 2019, at which point the ITC decreases
- Prop 39 has an encumbrance deadline of June 30, 2019 for all approved funds "defined in the California School Accounting Manual (CSAM) Section 210-11, Encumbrances are a budgetary tool and defined “as obligations in the form of purchase orders, contracts, salaries, and other commitments chargeable to an appropriation for which a part of the appropriation is reserved”



Amador Valley High School PV and Battery Storage

Key Information:

System Type: Carport Array

Size (kW): 1,066

Est. Annual Production (kWh):
1,652,160

Meters: System will interconnect to 1 main meter and offload consumption at 2 additional meters (through PG&E NEM-Aggregation)

- Year 1: \$122,490
- Years 1-10: \$530,441
- Years 1-20: \$1,771,014





Next Steps

- Board approval to permit TerraVerde to solicit Solar and battery storage proposals through a competitive RFP process (4217)
- District Staff and TerraVerde have presented the Board with a Minimum Savings Objective that will serve as the baseline for reviewing RFP responses and ensuring a financially viable project is achieved
- Retain the legal services of DWK
- Retain architectural services for the design of a north-south oriented parking lot
- District Staff will return to the Board with a proposed Power Purchase Agreement contract for review and approval
- Construction Timeline: 2018/2019 (Exact date range to be coordinated with AVHS Administration).